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Major News Releases and Speeches

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Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Remarks by Deputy Secretary of Agriculture Richard E. Lyng at the Rocky Mountain Conference on Foreign Trade, Scottsdale, Ariz., May 7, 1982

It's a pleasure for me to be here today. As one who comes from the West, it is always a pleasure to spend time here. As a part of an administration which believes strongly in expanding trade, it is a pleasure to see this group spending time on foreign trade, and I must confess, I enjoy talking about agricultural trade.

At the outset it might be well to define our role in trade. I could talk for the rest of the afternoon, but I couldn't leave here and write a single order for an export sale. Nor could Secretary Block, who has made export expansion his No. 1 priority for U.S. agriculture. Nor could anyone else in government.

Government can only help. Foreign trade is generated through the efforts of the private sector—by people who produce a product, sell it, ship it, and do the collecting for it.

The extent of those efforts determines the strength of U.S. export trade. So it is much more important to have you—farmers, ranchers, businessmen—rather than me, interested in trade and talking about trade.

This conference has provided you with the opportunity to do that for two days now, and I hope you will leave here with some new ideas for expanding your export business or for giving the foreign market a try if you have not already done so.

However, I did not come all the way out here to tell you that I'd rather have you than me talk about foreign trade and then sit down. I know you have been discussing in detail the export process, what assistance is available, and how government and the private sector can work together to facilitate trade.

I would like to make a few observations of a more general nature, relating to export markets, trade policy, and this administration's approach to agricultural export expansion.

There is no question of the need in U.S. agriculture for continuing and growing exports. After 10 years of dramatic growth, exports today provide a market for the harvest of two-fifths of U.S. cropland and earn one-fourth or more of U.S. farm income.

The wheat producers among you know that the export market is even more important for crops such as wheat, two-thirds of which is sold in foreign markets. And North Dakota farmers, who produce most of this country's sunflowerseed, might not know it, but sunflowerseed exports in 1981 were equal to the total production of the 1980 crop.

In addition, half the U.S. production of cotton and grain sorghum is exported, over half the soybeans, a third of the corn, and so on in a list that added up to almost \$44 billion in export trade last fiscal year.

This is necessary business and it is worthwhile business. Farm exports from the six states hosting this conference were valued at \$2.4 billion. This represents additional farm income and extra business up and down main street supplying the wants and needs of the farm community.

But I don't need to tell you that; you are here because you know what exports mean to farmers and the farm business community, and you want to make them grow.

You are in a good position to do it. You have the products in this region to serve a variety of export demand—wheat, cotton, livestock and livestock products, fruits, and oilseeds are the leaders. You have the potential to diversify your production patterns, and you are situated, as Gov. Herschler pointed out to me, to serve our strongest agricultural growth market—the Pacific Rim countries of Asia and the Western Hemisphere.

It is readily apparent that the focus of economic activity is shifting from Europe and the Atlantic community to the countries of the Pacific Rim. For the first time, Asia last year surpassed Europe as a market for U.S. agricultural products. Japan, China, Korea and Taiwan alone imported about \$3 billion more worth of U.S. farm products than the European Community, and six of the top 10 U.S. farm markets were on the Pacific Rim. They are Mexico, Canada, Japan, China, Korea, and Taiwan.

Growth prospects around the Pacific are excellent. No one needs to be reminded of Japan's remarkable growth since the 1960's, and even

in the face of worldwide recession, the Japanese government is looking for real growth in GNP of about 5 percent this year.

Per capita income in Singapore may approach the levels of Western Europe by the end of this decade. Taiwan's growth in GNP has slipped slightly from the robust average growth of 9 percent since the 1950's, but it was still 5.6 percent in 1981. In Korea, despite a very heavy defense budget, inflation dropped last year and GNP rose by 7 percent. China's size alone makes it a major factor—one billion consumers.

Mexico, with its new wealth from extensive oil discoveries, is striving for self-sufficiency in food production, but over the long term it will be a good and growing market for U.S. agriculture.

Increased incomes, as you know, increase the demand for food, and the diets in the developing countries I have cited and among their neighbors offer a vast potential for growth under the impact of rising incomes.

If the United States does not get its fair share of this growth we'll have nobody to blame but ourselves, and those of you from the states represented at this conference can lead the way.

The growth markets are out there, closer to you than to most of the Corn Belt; you have quality products in abundance. And there is one more positive factor in what I believe is an encouraging outlook for exports. That is the support of this administration from the president on down for liberal trade and the expansion of U.S. exports, both agricultural and industrial.

From the beginning, Secretary Block has had the full support of President Reagan in setting exports as the top priority for agriculture.

The president himself took the most important single step to stimulate growth in U.S. agricultural trade a year ago when he lifted the partial embargo on export sales to the Soviet Union.

This freed U.S. producers and exporters to compete once again in that huge market, and they have done a good job in the face of strong competition, some of which was generated by the embargo.

Since the embargo was lifted in April 1981, U.S. agricultural sales to the Soviets have totaled more than 15 million tons of wheat and corn, 700,000 tons of soybeans, and lesser amounts of other agricultural products.

The administration has been making an intensive effort to build the stimulus of the Soviet sales to restore the pre-embargo momentum of U.S. agricultural exports.

As you may have learned in your conference sessions, we have sent five joint government/industry grain and oilseeds sales teams to 14 developing countries during the past year. A sixth team, focusing on the livestock and poultry industries, is scheduled to leave at the end of this month to visit five countries that are in your target marketing area—the Philippines, Indonesia, Singapore, Malaysia and Thailand.

These teams find out what can be done to help the host countries increase their imports of U.S. agricultural products and report their findings to USDA in Washington for follow up. They assure the customers that the U.S. will continue as a reliable supplier of the products they need, and this has become increasingly important as the result of export uncertainties over the past 10 years.

To help in this regard, President Reagan made a major move to restore importer confidence in the United States as a dependable supplier when he spelled out his export policy in a speech to agricultural editors March 22.

He pledged there would no return to the "stop and go" export policies of the past. He said flatly that no export restrictions will ever be imposed because of rising domestic prices and he repeated his earlier pledge that the only way a farm export embargo could be imposed would be within a broader embargo mandated by an extreme foreign policy situation.

"Farm exports," the president said, "will not be used as an instrument of foreign policy except in extreme situations and as a part of a broader embargo. Agricultural commodities are fungible; that is, they are easily interchanged for the same commodity from other nations. For this reason, the embargo of 1980 was almost totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such action."

The policy is clear. No longer will U.S. agricultural exports be halted or restricted for vague reasons of "national interest." If there is an embargo it will be economy-wide and in response to a clear-cut international crisis.

I think our customers can understand that. I think our customers also understand—and our competitors understand it too—that the United States government is taking a new approach in trade policy.

The change is not in trade policy itself—the United States for more than 40 years has followed a policy of liberal trade, and it continues to do so. The change is in how this policy is being applied—we are taking an aggressive, and more important, a unified government stance in trade policy.

I have been serving government for a good many years, from inside as well as from the private enterprise point of view. It has been my experience during this time that all branches of the executive have espoused liberal trade—USDA has favored it for agriculture, the Department of Commerce has endorsed it for industry, and the departments of Treasury, and State and the U.S. Trade Representative have been for it as general principle.

However, when the United States applied this principle to specific trade issues—in trade negotiations or in defense of its trading rights—it was done mostly with a departmental rather than a unified approach.

Each agency was primarily grinding its own axe. This is understandable, but costly. It resulted too often in a fragmented, piecemeal and therefore weakened U.S. stance in promoting more liberal trade and fending its own trading rights.

This was particularly evident in our trade relations with the European Community, where subsidized exports are making increasing inroads in U.S. third country markets and variable levies, preferential schemes and other devices restrict U.S. exports to the Community.

It was apparent, also, in our trade with Japan, where, despite the dramatic growth and heavy volume of U.S. exports, import restrictions are holding us far short of the market potential for many agricultural products—beef and citrus are notable examples, and there are many others.

The Reagan Administration decided that it was time to quit talking about liberal trade and do something about it. With USDA taking one of the lead roles, we developed a comprehensive, interdepartmental strategy to attack the spread of protectionism and other distortions in global trade.

Within the past year, the administration has taken the European Community to the General Agreement on Tariffs and Trade (GATT) to resolve U.S. industry complaints over subsidized exports of EC flour, poultry meat, sugar and several other products.

We have met twice at the Cabinet level with the EC and spelled out the U.S. determination to defend its trading rights. Just a month ago, Secretary Block delivered a strong warning to the EC that a proposal for a tariff quota on corn gluten feed would bring an immediate response if implemented, and the EC Council of Ministers has laid that proposal aside—"for study."

At the same time, we have been pressing Japan hard in a joint, interdepartmental effort for more liberal access, and there are signs of progress for agriculture.

Japan has agreed to meet next October—six months ahead of schedule—to negotiate on the removal of the quotas on citrus and beef. In addition, after years of effort, the U.S. government finally got the Japanese to focus on the legality of their agricultural quotas in terms of the GATT.

This is an important step in resolving once and for all the issue of Japanese quotas—by negotiation, or if that fails, through action in the GATT.

I am sure that you discussed these and other actions in the trade policy arena during your session this morning, so I won't belabor you with details.

My point is that for the first time the United States is taking a unified, governmentwide approach to the problems of agricultural trade, and we are beginning to see some results.

It is our view at USDA that the trade negotiations I have mentioned and the financial and marketing services that have been discussed in your earlier meetings are our contribution to a team effort—an effort that must be made by both government and the private sector if this country is to maintain a healthy and growing export trade.

We in the government can provide tools to help do the export job, but, as I suggested at the outset of these remarks, the rest is up to you.

I hope that you will leave this conference with a new appreciation of the opportunities in the export market, and a determination to make exporting a permanent part of your marketing plans.

This region has the resources to expand its overseas sales; it is situated to serve our fastest growing markets, and it has an administration in Washington providing full support for export trade.

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Statement

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Statement by Secretary of Agriculture John R. Block at a press conference in Washington, D.C., May 5, 1982

Before I outline the emergency dairy plan which we have developed, I would like to make a few observations about the general dairy situation.

The severity of the current situation demands that we give it our best shot. But when I say severity, I'm talking about much more than the \$2 billion we expect to spend on the program this year. I'm talking about the livelihood of many dedicated milk producers—the men and women who have worked so hard in this important industry.

These people face tough battles every day, and I have a great admiration for them. Inspectors come into their barns and go over every crack, count the windows, check the equipment, count bacteria in the milk and expect a perfect product. And the product is perfect. It's because producers have made a big investment in time and money. They milk cows morning and night—Saturdays, Sundays and holidays—whether their backs hurt or their arms are in slings. Nobody works harder nor longer. They do it because they have a genuine pride in their work.

This pride is justified. Dairy farmers fought the battles one by one, and they have developed one of the more efficient operations of its kind in the world. That is why it is so ironic now that they should be the victims of this success.

They are victims of a situation that began after the Food and Agriculture Act of 1977. The problem was caused primarily by those in government who did not have the foresight to see what would happen with the passage of that legislation. Dairy producers did nothing that any other producer wouldn't have done. They reacted to the signals that were being sent. The trouble was that the government was sending the signals, and the signals were wrong. When this Administration took office we tried to change the signal, first by making no adjustments in the price support last April, and then by holding the support level at \$13.10 per hundredweight in the 1981 farm bill. But the course had

already been charted, and it soon became apparent that more action had to be taken.

Our dairy producers understand the problem and they're anxious to find the cure. As I said, they are proud people. It's a pride that says they want their prosperity to be rooted in the marketplace, not the federal treasury.

Their willingness to meet this challenge was clearly seen at the dairy symposium we conducted several weeks ago in Kansas City. When my staff returned, they were convinced that the producers were ready to swallow the necessary medicine to get the problems corrected. I appreciate and welcome their willingness to work with me on this very tough issue.

The symposium produced many ideas from knowledgeable industry leaders. Many are included in our proposal. We learned a lot in Kansas City. We learned from the speakers, from the audience's comments, from the talks in the corridors, at the lunch tables and in the coffee shops. The overriding mood was—whatever the solution—it has to work! We cannot afford to make a mistake. Legislative changes must be made to ensure that the situation will be brought under control.

Unless we get things turned around, we could spend about \$6 billion between now and 1985. Yet, we would be doing nothing to solve the basic problem. As of April 9, 1982, we have 365 million pounds of butter in government storage. We have 625 million pounds of cheese and 975 million pounds of nonfat dry milk. Those inventories are growing day by day. If we don't stop it now, by 1985 we could have the equivalent to 30 billion pounds of milk in storage. We just can't let that happen! We know it and dairy farmers know it.

What we have before us is a problem greater than what the dairy industry or the government can tackle individually. It is greater than any single cure, greater than any solution tried so far. But it is not greater than our combined will to resolve it.

Our overall dairy package covers many areas—disposition of current stocks, research, product promotion and distribution—but to be perfectly blunt, the heartbeat of our solution has to be flexibility.

We will be asking Congress to give the Secretary of Agriculture this flexibility in setting the dairy price support level. This does not mean the price support would drop automatically or that the bottom would

fall out or that many producers would be forced out of business. If we acted in that manner, we would not be treating this new authority in a responsible way.

My first responsibility is to the dairy farmers of this nation, to help them turn the situation around themselves. That is why I have pledged not to adjust the support level, even after I am given the authority by Congress. Instead, I will monitor the situation over the next several months and then analyze the figures on Jan. 1, 1983. On that date I will make any necessary adjustments, up or down. At this time it does not appear I will have to make a reduction below \$12 per hundredweight on Jan. 1, 1983.

I believe this action will send a responsible signal to an industry that is already making, and will continue to make great efforts to help itself. Some recent figures I have received are promising. For example, milk production this past March was up only one percent from a year earlier. Compare that to the three percent gain for the 12 months ending last December. Our experts believe this slowdown in output may continue in the months ahead.

In other words, the dairy industry has already taken some initiative. They have sown the seeds for a self-help program.

I also feel that the government can benefit from this new industry initiative. That's why I am proposing to establish a dairy advisory board consisting of knowledgeable dairy leaders and farmers throughout the country. We need this working relationship, this constant contact with the industry as we make the decisions that affect their destiny. Who better can advise the government than those people who work in the industry every day.

I have also ordered the Farmers Home Administration to develop new guidelines to limit dairy loans to stabilizing existing enterprises. New dairy facilities will be financed by FmHA only if we determine the need for additional production in that specific area.

Cutting dairy production will be a tremendous asset to the overall solution, but other actions also have to be taken. We cannot ignore the growing problem of stock disposition. That's why I am initiating several actions designed to reduce any future excessive buildup in our inventory.

First, we intend to authorize another 120 million pounds of cheese to be made available to low-income households, making our total distribution to 220 million pounds for this year. We're also working to expand our pilot projects for butter distribution, which have been conducted in Iowa. We've distributed 70,000 pounds already, and we'll release another 70,000. If this is successful, then we'll implement a nationwide program in the next few months.

There are several other points to our overall emergency dairy plan, and each will play an important function. I'll just touch upon each briefly.

- We will develop a plan to increase the movement of dairy products into foreign markets. This will be implemented after I receive authority from Congress to adjust the price support level. It is important that we show our world trading partners that we are serious about bringing our production under control.

- We will also increase the use of dairy products for humanitarian purposes, domestically and abroad. We will ask Congress to reinstate Section 416 authority which would provide for direct donations in addition to the P.L. 480 program.

- We will increase the amounts of dairy products which are donated to the military, and the Department of Defense will utilize those additional products.

- We will explore the possibility of raising milk standards for fluid milk sold in U.S. markets to increase the use of milk solids.

- We will increase government sales of out-of-condition nonfat dry milk to be used for animal feed. We don't expect this to have a major impact on the prices of other high-protein feed ingredients.

- And I am going to appoint a task force to determine which exporting countries are using subsidies in the production, processing, or exportation of casein. The task force will report to me by Jan. 1, 1983 regarding any actions which can be taken to counter unfair trade practices involved.

We're also going to use our research, and whatever other means we have, to see that dairy products are promoted like they have never been promoted before. Our per capita dairy consumption has been trending downward. To address this situation, we intend to work with the dairy industry in an attempt to promote increased dairy product usage.

We intend to work with universities, processors and food technologists in finding new processed dairy products. I'm talking about putting it into cans, turning it into sauces, creating dairy soft drink alternatives and the list goes on. We want this product to become so attractive that no one will want to turn it down.

We have a lot of work ahead of us. No single action is going to correct the situation on its own. But working together, we'll get the job done.

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News Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

BLOCK NAMES THREE MEMBERS TO WHEAT INDUSTRY COUNCIL

WASHINGTON, April 30—Secretary of Agriculture John R. Block has appointed two members and one alternate to serve on the Wheat Industry Council, which administers a national research and nutrition education program for wheat and wheat foods.

New members are Gordon Smith III, president of Smith's Bakery, Mobile, Ala., and John E. Kinsella, chairman, Department of Food Science, Cornell University, Ithaca, N.Y. Block named Anthony H. Gioia, president of RHM Macaroni, Inc., Buffalo, N.Y., as an alternate member.

Block said the new appointees will serve the remaining portion of terms which expire at the end of 1983. The three positions became vacant when previous appointees were unable to serve.

The 20-member Wheat Industry Council is composed equally of wheat producers, processors, end-product manufacturers and consumers.

The U.S. Department of Agriculture's Agricultural Marketing Service monitors the wheat and wheat foods program and reviews its budget, plans and projects to ensure that the program operates within the law.

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NEW SCIENTISTS TO INVESTIGATE PRIORITY AGRICULTURAL RESEARCH

WASHINGTON, May 2—The U.S. Department of Agriculture will fund 12 new research associate proposals to support basic agricultural research and to encourage new scientific talent.

"Basic research is a high priority for the USDA because it provides the fundamental knowledge to improve efficiency in agriculture and to

open new fields of investigation," said Terry B. Kinney, Jr., administrator of USDA's Agricultural Research Service.

Kinney said the basic research projects are designed "to make the most of the shrinking U.S. research dollar and to encourage new scientific talent in a diminishing pool of agricultural scientists.

"We will bring in recently graduated scientists of exceptional ability who will work to overcome obstacles and trouble spots in the animal and plant sciences. We expect these scientists to bring to the projects new ideas and new approaches that will blend with the expertise of our more experienced researchers."

Kinney said his agency will fund the work of the 12 scientists for one year with \$420,000. Known as the 1982 research associate proposals, the studies were selected from proposals submitted from among the agency's 147 research locations.

Among the projects are:

- research leading to genetic engineering techniques to produce wheat and rice plants from cells instead of from seeds.
- combined biological and chemical methods to control cotton seedling diseases,
- genetic manipulation of chicken genes for resistance to a virus-causing disease,
- assessing herbicides' ability to kill weeds but not crops, and
- eradicating pseudorabies in swine by virus fingerprinting.

Kinney said one new scientist will be appointed for each of the 12 projects. Each of the agency's four regions will be represented by three of the projects.

Brief descriptions of the studies and contacts for more details or for more information on applying for a research associate position follow:

Northeastern Region

— A new technique treats cotton seed against soil-borne pathogens without putting excess amounts of pesticides into the environment. Now, research will test a pest management strategy that combines biological control agents and this technique, called organic solvent infusion. Ideally suited for use on cotton, a \$3.3 billion per year industry, the technique may be adapted to other crops. Contact: George Papavizas, Beltsville, Md. (301) 344-3682.

— A major advance in cell cloning known as hybridoma technology offers new sensitivity and reliability in diagnosing plant and animal diseases. Hybridomas are a product of the fusion of a mouse cancer cell and a mouse spleen cell, resulting in cells that secrete specific antibodies. New research will focus on using this technology to produce antibodies that are specific enough to detect individual plant virus strains and broad enough to detect all strains of a particular virus. Contact: Roger Lawson, Beltsville, Md. (301) 344-3570.

— Genetic material called Ti plasmid causes healthy plant cells to multiply and form crown gall disease tumors. Scientists will test Ti DNA segments for their ability to regenerate plants from tumor cells. If successful, Ti plasmid may be used to induce wheat and rice tissue cultures to form roots, stems and shoots. Contact: Dean Cress, Beltsville, Md. (301) 344-4109.

North Central Region

— Certain antigen-producing genes could give chickens natural resistance to the virus that causes lymphoid leukosis, a serious poultry disease. Research will seek to genetically engineer the DNA code for antigens into chicken chromosomes to give birds resistance. USDA scientists call this molecular manipulation "theoretically appealing and undeveloped." If successful, it could be the basis for new gene research to improve farm animals. Contact: Lyman B. Crittenden, East Lansing, Mich. (517) 337-6827.

— Leafy spurge is a weed that has infested over 3 million acres in central and western states. As a natural defense against herbicides, leafy spurge sends roots three feet deep. Herbicides kill the top growth but not root buds. Strategies for increasing the intake of herbicide throughout the weed will be investigated. Contact: D. Stuart Frear, Fargo, N.D. (701) 237-5771.

— Pseudorabies is one of the costliest diseases of swine in the U.S. A major goal for researchers is to determine unequivocally the source of pseudorabies virus and how it is introduced into swine herds. A newly developed technology called "virus fingerprinting" may help reach the goal. Scientists may be able to follow the spread of a virus through a susceptible population as well as trace a virus back to its source. Contact: William L. Mengeling, Ames, Iowa (515) 232-0250.

Southern Region

— Some plants among five common agriculturally important weeds recently have developed resistance to the triazine herbicides. Scientist will study the biochemistry of these plants to see how they developed the resistance—whether it is an act of nature or induced by chemicals. Contact: Robert Hoagland, Stoneville, Miss. (601) 686-2311.

— Almost nothing is known about what governs the amounts of sugar and starch formed in plants during photosynthesis. Carbon from carbon dioxide in the air is transformed into sugar and starch. Scientists will work to manipulate the partitioning of carbon into starch and sugar. Their goal is to increase the sugar accumulation, the plant's source of energy. Contact: Steven C. Hubar, Raleigh, N.C. (919) 737-3905.

— How can pheromones, or sex attractants, and anti-pheromones be exploited in insect control strategies? Answers will be sought in studies using a new computerized data system. This technology will enable research to gain new insights into the responses that major insect pests have to pheromones. Also, the research is expected to help evaluate new possibilities for using pheromones. Contact: M. Sidney Mayer, Gainesville, Fla. (904)373-6701.

Western Region

— Scientists are trying to understand the control of wheat genes at the molecular level so that they may improve the protein contents of wheat kernels and thus their nutritional quality. They hope to identify new combinations of DNA that can be used in protein production. Hybrids may come from recombinations of DNA molecules that, in turn, can be tested for higher protein production. Contact: Frank C. Greene, Albany, Calif. (415) 486-3739.

— Attempts to eradicate the Mediterranean fruit fly include the release of sterile flies. If sterile flies are to be effective, the subtle alterations of behavior and quality between wild populations and mass-reared sterile counterparts need to be understood. That is the goal of this study. Results also could aid other research on sex distortion and other lethal genetic aberrations in insects. Contact: D. Leroy Williamson, Honolulu, Hawaii (808) 988-2158.

— Salt stress siphons away the energy plants need to grow. Reduction of this "energy charge" is likely to be the single most

important cause of lower crop yields on saline lands. If new research verifies this energy drain, the findings will be invaluable in breeding plants for increased energy efficiency and salt tolerance. Contact: Jan van Schilfgaarde, Riverside, Calif. (714) 683-0170.

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MALEIC HYDRAZIDE LEVELS DOWN IN FLUE-CURED TOBACCO; TESTING TO CONTINUE

WASHINGTON, May 3—Testing and analysis of the 1981 flue-cured tobacco crop showed about a 20 percent decrease in maleic hydrazide (MH) residue levels from the levels found in the 1980 crop, according to Everett Rank, administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service.

"This is very encouraging, but we feel levels can be reduced further and testing and analysis will continue for the 1982 crop," he said.

Maleic hydrazide is a chemical used to retard the growth of tobacco "suckers" which otherwise have to be removed by hand from the plant at considerable cost to the producer. "Suckers" are shoots that grow from the stem, sapping the plant's strength and slowing its growth.

The United States has no tolerance levels for MH residue but some importing countries have expressed concern about the levels detected in U.S. flue-cured tobacco. "It is imperative to bring these levels down further and maintain our U.S. tobacco export market," Rank said.

The decrease is a direct result of a strong program of education, testing and producer surveys involving several USDA agencies and state extension personnel," he said.

"We will continue our educational program for producers on the proper use of MH," Rank said. "USDA's Agricultural Stabilization and Conservation Service, Science and Education Administration, and Agricultural Marketing Service will take part, along with schools of agriculture at land grant universities.

"The tobacco industry, which has great interest in seeing MH levels reduced, will provide the funds necessary to conduct the chemical testing for MH residue on the 1982 crop," Rank said.

He said test results will continue to be evaluated to determine whether tobacco program eligibility requirements should be modified to take into consideration the improper use of MH.

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CCC LOAN INTEREST RATE INCREASED TO 14.125 PERCENT

WASHINGTON, May 3—Commodity and farm storage facility loans disbursed in May by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 14.125 percent interest rate, according to CCC Executive Vice President Everett Rank.

The new rate, up from 13.875 percent, reflects the interest rate charged CCC by the U.S. Treasury in May, Rank said.

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USDA ANNOUNCES PROCEDURES FOR DETERMINING UPLAND COTTON LOAN DIFFERENTIALS

WASHINGTON, May 3—Following the recommendations of an appointed committee, the U.S. Department of Agriculture today announced the procedures it will use to determine upland cotton loan differentials for the various grades, staple lengths and micronaire readings for the 1982 crop.

The committee, appointed by Secretary of Agriculture John R. Block, made these recommendations:

— A schedule of premiums and discounts for the various grades and staple lengths of 1982-crop cotton will be developed by giving equal weight both to the schedule for the 1981 crop and to the average of premiums and discounts in nine designated spot markets during the period August 1981 through February 1982.

— Discounts for micronaire readings outside the basic 3.5 to 4.9 range for the 1982 crop will be developed by giving equal weight both to the discounts in effect for the 1981 crop and to the average of discounts at the spot markets in Lubbock and Dallas, Texas; Memphis,

Tenn.; and Montgomery, Ala., during the period August 1981 through February 1982.

The committee, which was required by the Agriculture and Food Act of 1981, was composed of 10 members representing cotton producers and merchants and textile manufacturers. The committee's purpose was to develop methods of establishing schedules of premiums and discounts that accurately represent true relative market values and reflect actual demand for U.S. upland cotton.

According to Everett Rank, executive vice president of USDA's Commodity Credit Corporation and vice chairman of the committee, CCC will develop and release a detailed schedule of premiums and discounts for the 1982 cotton crop as soon as possible.

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PRELIMINARY SUMMARY OF FOOD ASSISTANCE PROGRAM RESULTS FOR FEBRUARY 1982

WASHINGTON, May 3—Listed below are preliminary estimates of participation in the federal-state food assistance programs for February, including comparisons with the previous month and with the same month of last year. The estimates were released today by the U.S. Department of Agriculture's Food and Nutrition Service.

	February 1981	January 1982	February 1982
THE FOOD STAMP PROGRAM:			
People participating this month (millions)	22.8	22.1	22.3
Value of bonus coupons (millions)	\$952.4	\$863.1	\$879.9
Average bonus per person	\$41.72	\$39.10	\$39.47
FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS:			
Number of projects in operation	75	78	79
People participating this month (thousands)	73.8	72.0	73.0
THE SPECIAL SUPPLEMENTAL FOOD PROGRAM (WIC)			
People participating this month (millions)	2.182	2.059	2.121
Federal food costs (millions) ^a	\$62.7	\$59.2	\$62.0
THE COMMODITY SUPPLEMENTAL FOOD PROGRAM:			
Number of projects in operation	21	26	26
People participating this month (thousands)	112.2	118.2	120.1

	February 1981	January 1982	February 1982
THE NATIONAL SCHOOL LUNCH PROGRAM:			
Number of schools taking part ^b	93,306	91,225	91,225
Children participating this month (millions)	26.4	23.5	23.5
Children reached with free or reduced-priced lunches this month (millions)	12.9	11.6	11.8
Percentage of lunches served free	41.3	42.0	42.8
Percentage of lunches served at reduced price	7.6	7.3	7.4
THE SCHOOL BREAKFAST PROGRAM:			
Number of schools taking part ^b	34,224	34,140	34,140
Children participating this month (millions)	4.0	3.3	3.4
Percentage of breakfasts served free or at reduced price	86.7	89.0	88.2
THE CHILD CARE PROGRAM:			
Number of outlets taking part	59,200	67,600	68,100
Children participating this month (thousands)	828.5	830.2	847.9

^aDue to monthly fluctuations, the federal administrative expenditures are excluded from this program.

^bThese data are collected semi-annually (October and March). Figures for the latest available month (October) are listed.

#

IMPORT QUOTAS FOR SUGAR TO BE PROCLAIMED

WASHINGTON, May 4—Secretary of Agriculture John Block said today President Reagan soon will proclaim an emergency import quota program to stem the flow of overseas sugar threatening to damage domestic producers of sugar.

"This is necessary," he said, "to avoid a massive flow of sugar imports into the United States, which would disrupt the commercial market for domestically produced sugar and would cause large quantities of domestic sugar to move into government ownership. The president's action is precipitated by a continued sharp drop in the world sugar price, now below 9 cents a pound."

Block said the world price had fallen 30 percent in four months in the face of a prospective large world crop and the European Community's export subsidy, which assures exports of European sugar regardless of the world price.

"The United States has become a magnet for sugar produced in other countries, even to the diversion of shipments already at sea. If allowed to continue, this situation could only lead to foreign sugar displacing most domestic sugar in the U.S. market while domestic production flows into the Commodity Credit Corporation to the detriment of U.S. producers and at the expense of the American taxpayer."

The government had taken a number of steps to maintain the domestic price of sugar since the enactment of the price support program by Congress in December.

On Dec. 23, the president proclaimed an import control system, including import fees, under authority of Section 22 of the Agricultural Adjustment Act of 1933 as amended, and increased duties under the Trade Expansion Act of 1962.

On April 1, import fees were adjusted upward, based on a 20-day world average price of 11.69 cents for late February and early March. On April 23, import fees were increased by an additional 1 cent. The ability to use import fees under Section 22 was limited, however, by a statutory restriction on the level of fee that can be applied.

The size of the total quota will be determined and announced quarterly by the secretary of agriculture. The present import duty of 2.8 cents a pound, raw basis, will be continued. The Section 22 import fees

will be continued with certain adjustments necessary to reflect changed conditions.

"The objective," Block said, "is to protect the interest of domestic producers by creating a market situation that will enable U.S. beet and cane producers to sell in the market rather than forfeiting their production to the Commodity Credit Corporation. The interests of foreign suppliers are also protected since the system provides such suppliers reasonable access to a stable, higher priced U.S. market."

The United States normally imports nearly half of its sugar requirements. The remainder is produced by U.S. beet and cane growers.

Details of the quota program will be announced soon, Block said.

#

USDA TO SET UP CARIBBEAN BASIN AGRIBUSINESS ADVISORY COMMITTEE

WASHINGTON, May 4—Secretary of Agriculture John R. Block today established an agribusiness advisory committee to assist the U.S. Department of Agriculture carry out agricultural development aspects of President Reagan's Caribbean Basin Initiative.

Ray A. Goldberg, the Moffett professor of agriculture and business at Harvard University's Graduate School of Business, will head the committee; other members will be appointed soon, Block said.

The committee will advise USDA on policies and programs involving the private agribusiness sector in fostering agricultural development and economic growth within Caribbean island and Central American countries. The committee will work on a cooperative basis with counterpart committees in the Caribbean Basin.

It also will help establish an International Agribusiness Center within USDA's Office of International Cooperation and Development to provide expanded services to interested U.S. agribusiness firms. These services would include identifying investment opportunities, organizing a series of agricultural investment missions to the Caribbean Basin area and conducting follow-up support activities.

USDA will seek the advice of the committee on how government can be more helpful to the agribusiness sector in making private investment, accelerate the investment process and make the investment climate more favorable, Block said.

Investment by U.S. agribusiness companies could represent one of the most promising means of increasing the productive capacities of the Caribbean Basin economies, foreign exchange earnings and employment, Block said. The United States would benefit through expanded markets for agricultural products, equipment and services, he said.

Agricultural technical assistance is currently being provided to a number of Caribbean Basin nations.

Goldberg is the head of the agribusiness program at the Harvard Business School where he is engaged in teaching and research activities. He has served as a consultant to agribusiness firms and organizations on the national and international level. He was a consultant to the under secretary of agriculture from 1965 to 1969.

Goldberg is the author of several books and articles dealing with food, trade and investment policies, agribusiness management in developing countries and the United States, markets and marketing worldwide.

He was a member of a team of consultants which analyzed agribusiness investment opportunities in Nigeria and Jamaica on behalf of the Office of International Cooperation and Development.

#

USDA RELEASES COST OF FOOD AT HOME FOR MARCH

WASHINGTON, May 4—The U.S. Department of Agriculture today released its monthly update of the weekly cost of food at home for March 1982.

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost and liberal.

Esther Winterfeldt, administrator of the Human Nutrition Information Service, said the plans consist of foods that together provide well-balanced meals and snacks for a week.

USDA assumes all food is bought at the store and fixed at home. Costs do not include alcoholic beverages, pet food, soap, cigarettes, paper goods and other nonfood items bought at the store.

"USDA costs are only guides to spending," Winterfeldt said. "Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes and how much food is prepared at home.

"Most families will find the moderate-cost or low-cost plan suitable," she said. "The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families with less money for food. Families with unlimited resources might use the liberal plan."

Details of the four food plans are described in Home and Garden Bulletin No. 94, "Family Food Budgeting. . .for Good Meals and Good Nutrition," which may be purchased for \$2 each from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Cost Of Food At Home For A Week In March 1982

	Thrifty	Low-cost	Plans Moderate-cost	Liberal
Families:				
Family of 2 (20-54 years)	\$33.90	\$43.70	\$54.60	\$65.30
Family of 2 (55 years and over)	30.50	39.00	48.30	57.50
Family of 4 with preschool children	48.10	61.40	76.40	91.30
Family of 4 with elementary school children	58.00	74.20	92.80	111.00
Individuals in four-person families:				
Children:				
1-2 years	7.80	9.90	12.20	14.40
3-5 years	9.50	11.80	14.60	17.50
6-8 years	12.10	15.30	19.20	22.90
9-11 years	15.10	19.20	24.00	28.70
Females:				
12-19 years	14.30	18.20	22.50	26.70
20-54 years	13.80	17.80	22.00	26.30
55 and over	12.60	16.10	19.80	23.50
Males:				
12-14 years	16.10	20.30	25.40	30.30
15-19 years	17.60	22.40	28.00	33.60
20-54 years	17.00	21.90	27.60	33.10
55 and over	15.10	19.40	24.10	28.80

To estimate your family food costs

— For members eating all meals at home—or carried from home—use the amounts shown.

— For members eating some meals out, deduct 5 percent from the amount shown for each meal not eaten at home. Thus, for a person eating lunch out five days a week, subtract 25 percent, or one-fourth the cost shown.

— For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart are for individuals in four-person families. If your family has more or less than four, total the "individual" figures and make these adjustments, because larger families tend to buy and use food more economically than smaller ones:

- For a one-person family, add 20 percent.
- For a two-person family, add 10 percent.
- For a three-person family, add 5 percent.
- For a family of five or six persons, subtract 5 percent.
- For a family of seven or more, subtract 10 percent.

#

“DAIRY DAY USA” TO KICK OFF NATIONAL DAIRY MONTH

WASHINGTON, May 5—The National Dairy Month of June will be kicked off this year with "Dairy Day USA," a major dairy promotion co-sponsored by the U.S. Department of Agriculture and the advertising and promotion agency of the Middle Atlantic milk marketing area.

The activities, which will take place May 29 along the Mall here, also mark the beginning of an on-going USDA initiative to encourage the use of dairy products.

"This is another example of how the government and private sector can work together toward a common goal," said Secretary of Agriculture John R. Block. "In this case, the goal is to help bring a balance between supply and demand of our nation's dairy products by encouraging the public to use more of these products. I am happy to lend even more support to the efforts already underway in the industry itself."

Among the scheduled activities scheduled are milking demonstrations, a petting zoo, displays of antique and modern farm equipment and shows for both children and adults.

The Baltimore Culinary Institute will provide demonstrations on cooking with dairy products as well as how to make ice cream, yogurt

and cheese. The program will be funded by the advertising and promotion agency of the Middle Atlantic milk marketing area. No government funds are involved.

#

USDA PROPOSES STRONGER IMPORT RULES FOR CATTLE FROM IRELAND

WASHINGTON, May 5—Cattle imported from the Republic of Ireland will have to meet strengthened brucellosis testing requirements if proposed new U.S. Department of Agriculture import regulations are adopted.

John K. Atwell, deputy administrator of USDA's Animal and Plant Health Inspection Service, said recent occurrences of brucellosis in cattle imported from Ireland have made it necessary to require additional evidence that future imports are free of this contagious disease of livestock and humans.

Atwell said the proposed new rules would require imported cattle from Ireland to originate from herds that meet rigid standards of testing to demonstrate they are free of brucellosis. This would include negative annual herd tests for the preceding two years, and records showing that additions to the herd have the same brucellosis-free status.

In addition to the herd health status requirement, the individual animals would have to pass two negative brucellosis tests with an interval of not less than 60 days nor more than 120 days between tests. These tests would use all three of the accepted brucellosis testing procedures—the plate or agglutination test, the brucellosis card test and the complement fixation test.

The cattle to be imported would have to be maintained for at least 60 days before shipment at a separate isolation facility approved by Irish government veterinarians. From that facility they would be shipped directly to the U.S. port of entry quarantine station without further contact with any other livestock.

Brucellosis is a bacterial disease which causes breeding problems and losses from reduced calf crops and lower milk yields. A cooperative

state-federal brucellosis program in the United States has succeeded in reducing the disease in cattle to an extremely low level.

Public comments on these proposed changes in the federal animal import regulations may be submitted until July 6 to the deputy administrator for veterinary services, APHIS, USDA, Federal Building, 6555 Belcrest Rd., Hyattsville., Md. 22782. The proposal is scheduled to be published in the May 7 Federal Register.

#

USDA STUDY SHOWS HEALTHY COMPETITION FOR FED CATTLE IN TWO MAJOR MARKET AREAS

WASHINGTON, May 5—A new U.S. Department of Agriculture study indicates that competitive forces are presently working well in the High Plains and the Iowa-Nebraska regional markets for fed steers and heifers, despite fewer meat packers competing for the available supply.

B.H. Jones, who heads USDA's Packers and Stockyards Administration, said the agency began the study in 1979 because of widespread concern that a few large buyers might be able to control the prices or terms of trade for fed cattle in local markets.

"Our findings indicate the markets in these two regions were behaving competitively," Jones said. "Average prices during the period were not influenced by local supply and demand conditions but rather by overall market factors.

"There was a close relationship in prices, showing no market isolation between the major markets or in the submarkets that were studied. The study shows that buyers and sellers shipped fed cattle between the two regional markets throughout the year, indicating there were numerous occasions when it was profitable to do so."

The High Plains area studied includes Kansas, the Panhandles of Oklahoma and Texas, and fringe areas of eastern New Mexico and eastern Colorado. The Iowa-Nebraska area includes eastern Nebraska, western Iowa, South Dakota and southwestern Minnesota. These two areas account for about 59 percent of all U.S. fed cattle marketings.

Jones said since the study was completed several beef slaughter plants have closed in the two areas and two new plants with over 1

million head annual slaughter capacity have opened.

"USDA will continue to monitor both the market structure and the level of competition in the two markets," Jones said.

The study also investigated the pricing practices of an integrated packer-custom feedlot operator. The evidence showed that the firm did not discriminate against feedlot customers in the sales of their cattle, and that the cattle were not used to the disadvantage of other packers or feeders, Jones said.

Copies of the report are available from the Packers and Stockyards Administration, USDA, Washington, D.C. 20250. Phone (202) 382-9528.

#

EMERGENCY DAIRY PACKAGE PROPOSED

WASHINGTON, May 5—Secretary of Agriculture John R. Block announced today an emergency dairy plan designed to bring balance to the nation's dairy program.

Block said the main thrust of the program is proposed legislation which would give the secretary of agriculture discretionary authority to set the milk price support level. He said if the legislation is enacted, he would not adjust the support level until Jan. 1, 1983. Without the legislation, USDA anticipates spending \$1.94 billion during fiscal 1983 and up to \$4 billion between fiscal 1983 and 1985.

"This action will send an effective signal to the industry that production has to be cut," Block said. "In the meantime we will monitor the situation until Jan. 1. On that date we will make the adjustments—up or down—if they are needed. At this time it does not appear we would have to make a reduction below \$12 per hundredweight on Jan. 1. The current support rate is \$13.10 per hundredweight.

Block said recent figures show signs that dairy farmers are beginning to adjust voluntarily. March production was up only 1 percent over last year, compared to a 3 percent increase seen for the 12-months ending Dec. 31, 1981.

"With this initiative coming from the producers themselves, combined with other features in our emergency plan, I believe we'll see some positive results by Jan. 1," Block said.

The emergency plan also would allow USDA's Commodity Credit Corporation to donate more dairy products in the United States and to needy persons abroad. It proposes legislation to reinstate Section 416 authority, which would allow the CCC to initiate these dairy donations overseas.

"This would allow the United States to enhance its role in responding to food needs of poor people around the world," Block said. "It will also help to reduce our current inventory of surplus dairy products." As of April 9, 1982, the government held 365 million pounds of butter, 625 million pounds of cheese and 975 million pounds of nonfat dry milk in storage.

The proposed legislation also includes establishment of a Dairy Advisory Board, consisting of knowledgeable dairy leaders selected by the secretary of agriculture. Block said it is important to keep in constant contact with producers during this period of adjustment.

"We need this working relationship with dairy producers as we make the decisions that affect their destiny," he said. "Who better can advise the government than those people who work in the industry every day."

Other features of the emergency dairy plan, not needing congressional action, include:

- Establishing more stringent guidelines for Farmers Home Administration loans made to dairy producers.
- Increasing distribution of surplus dairy products in domestic feeding programs.
- Providing additional amounts of dairy products to the Department of Defense for use by the military.
- Investigating the use of casein subsidies by exporting countries, with recommendations for possible action by the United States to offset these subsidies.
- Developing a plan for increasing the disposition of dairy stocks abroad through sales and donations.
- Exploring the possible adoption of higher milk standards for fluid milk sold in U.S. markets to increase the use of milk solids.

— Working with the private sector in promoting the use of dairy products, and developing new processed dairy products.

— Increasing government sales of out-of-condition nonfat dry milk to be used for animal feed.

"I am committed to a strong and viable dairy program," Block said. "The implementation of this program will provide for the continuation of those elements essential for a sound dairy support program. It will also begin to bring the huge public costs now plaguing the current program under control. Dairymen know that something must be done or the whole dairy support program may be lost. It is my responsibility to the dairy industry to see that this does not happen."

#

USDA RESUMES ACCEPTING MEAT FROM COSTA RICA

WASHINGTON, May 6—The U.S. Department of Agriculture will again accept meat imports from the four Costa Rican slaughter plants it had removed from its list of approved exporters to the United States March 26, Food Safety and Inspection Service Administrator Donald L. Houston said today.

"A USDA team of technical experts returned from Costa Rica satisfied that changes proposed by the Costa Rican government are adequate to correct problems in that country's meat inspection system," Houston said. "We have received word from Costa Rican officials that the stringent new controls have been fully implemented in these plants."

USDA removed Costa Rica's four slaughter plants from a list of approved exporters because the United States had been receiving improperly identified product and product accompanied by fraudulent inspection certificates, he said.

"The United States must rely on the integrity and diligence of foreign inspection systems to comply with U.S. requirements for safe, wholesome product," Houston said. Imported meat must also pass USDA inspection before entering the United States.

"Actions taken by the Costa Rican government in recent weeks clearly demonstrate it is willing and able to meet U.S. inspection standards on a continuing basis."

Houston said Costa Rican inspection officials implemented a new system for issuing and controlling inspection certificates. The control of product intended for export also has been strengthened, with requirements for sealing and securing product in storage facilities and for sealing vehicles and containers carrying product to export points.

"As an additional precaution—and to verify the effectiveness of the newly implemented Costa Rican controls—USDA import inspectors have been instructed to carry out tightened procedures on product entering the United States from that country," Houston said. "These procedures will remain in effect until the exporting firms in Costa Rica develop a good history of compliance."

In 1981, the United States imported about 67 million pounds of meat from Costa Rica—less than a quarter of 1 percent of our meat supply, Houston said.

The Federal Meat Inspection Act requires that foreign countries exporting meat to the United States impose inspection requirements that are at least equal to those imposed on U.S. plants.

#

DEFERRAL OF TIMBER SALE EXTENSION DEPOSIT PAYMENTS AUTHORIZED

WASHINGTON, May 7—Timber purchasers now may defer payments on those national forest timber sales extended since 1980 by payment of interest on the unpaid price for the period of extension, a U.S. Department of Agriculture official said today.

Until now, when a timber sale contract had been extended, the purchaser had to make monthly deposits whether or not timber was harvested, said Raymond H. Housley, deputy chief of USDA's Forest Service.

Housley said the Comptroller General has advised the Forest Service that it has the authority to charge interest in lieu of payments as a condition of extensions to timber sale contracts.

Secretary of Agriculture John R. Block had asked the General Accounting Office for a decision late last month.

Contract extensions were allowed in 1980 and in 1981 to provide economic relief for the timber industry and dependent communities which have been hit hard by depressed lumber and plywood markets for the past several years.

The Forest Service now is authorizing deferred deposit payments to reduce further economic hardship to the industry and communities which depend on those firms for employment, Housley said.

Details for implementing the new authority will be announced next week, Housley said. He also said that future contract extensions during the current depressed market period will require payment of interest rather than payment of extension deposits.

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USDA ISSUES HIGHLIGHTS OF STUDY ON FOREIGN OWNERSHIP OF U.S. AGRICULTURAL LAND

WASHINGTON, May 7—Less than 1 percent of U.S. agricultural land is owned by foreign sources, according to a study by the U.S. Department of Agriculture.

These foreign sources reported they owned 12.7 million acres of U.S. farm and forestry land as of Dec. 31, 1981, or 4.9 million acres more than reported a year earlier. Corporations own 85 percent of the 12.7 million acres, and 64 percent is owned by U.S. corporations which have 5 percent or more foreign ownership.

Not all of the increase occurred since the closing date of the previous report. The 1981 total includes reports for 2.3 million acres that had been acquired prior to 1981 but which were filed after last year's cutoff date.

About 2.1 million acres also became classified as foreign owned when a major U.S. corporation became 20-percent foreign owned in 1981. These and other findings are based on an analysis of reports submitted to USDA under the Agricultural Foreign Investment Disclosure Act of 1978.

Foreigners reported plans to keep 92 percent of the reported foreign-owned acreage in agricultural production. No change in tenancy or rental arrangements was reported for 42 percent of the acres, while some change was reported for 27 percent of the acres. No responses to this question were received for the remaining 31 percent of the acres.

More state legislatures are apparently keeping tabs on foreign investment in farm and forest land. Since 1977, 8 of the 30 states with some kind of foreign land ownership restrictions have either strengthened existing legislation or enacted new legislation to restrict or regulate such foreign ownership. In addition, since 1975, eight states have initiated reporting requirements.

Following are additional details on foreign ownership of agricultural land:

- Forest land accounts for 56 percent of all foreign-owned acreage, cropland for 13 percent, pasture and other agriculture for 26 percent, and nonagricultural and unreported uses for 5 percent.

- Corporations own 85 percent of the foreign-held acreage; partnerships, 8 percent; and individuals, 6 percent. The remaining 1 percent is held by estates, trusts, associations, institutions and others.

- U.S. corporations with 5 percent or more foreign ownership reported owning 64 percent of all the foreign-held acreage. The remaining 36 percent is held by foreign persons not affiliated with a U.S. corporation.

- Some land is held only in part by foreign investors. These partial interests reduce the 12.7 million acres of foreign holdings of U.S. agricultural land to an equivalent of 11.3 million acres.

- Foreign persons from Canada, France, the United Kingdom, West Germany, and the Netherlands Antilles own 78 percent of the foreign-held acreage.

- The largest foreign-owned acreage was reported in Maine. Foreign holdings account for 14 percent of Maine's privately owned agricultural land and approximately 21 percent of the U.S. total of reported foreign-owned agricultural land. Three large timber companies own 96 of the foreign-held acres in Maine. One company has only partial interests in 33 percent of the acres and the other two companies are U.S. companies which recently became partially foreign owned.

— Except for Maine, foreign holdings are concentrated in the South and West. Alabama, Florida, Georgia, South Carolina and Texas contain 25 percent of the holdings while California, Colorado, New Mexico, Oregon and Washington contain 22 percent. Rhode Island is the only State with no reported foreign-owned agricultural land.

The quantity of foreign-owned U.S. agricultural is too small to measure the impact on agriculture at the national level.

Research conducted in selected counties in California, Iowa and Mississippi compared production, pricing and distribution impacts of foreign ownership of land with that of domestic ownership. The small sample size makes the results indicative rather than conclusive.

The impacts of foreign investment in U.S. farmland do not appear to be uniform. The more significant differences were between tracts operated by owners and tracts that were rented, regardless of location or nationality of the owners of the rented tracts. Owner-operated tracts tended to be used more frequently for livestock operations. Owner-operators also used more family labor and tended to invest more in , home, storage and field improvements such as fencing, drainage and irrigation.

Data gathering and analysis of foreign landholdings cost USDA about \$530,500 in 1981. In fiscal 1981 and the first quarter of fiscal 1982, USDA assessed 794 penalties for late filings, amounting to about \$667,857.

It's not always possible to identify the country of origin of the foreign investment. Named individuals may be holding the real estate in their name for someone else. The use of bearer shares (which are issued to "bearer" rather than in the name of an individual or entity) also may mask the country of origin of the investment.

In addition, USDA does not have the authority to inquire about interests beyond the third level of ownership, so masking the country of origin of the foreign investment may be achieved by establishing more than three ownership levels.

Ownership of a particular parcel cannot be traced over time because there is currently no way to accurately follow a specific tract of land when it is acquired and subsequently sold, in whole or in part. As a result, the inventory of parcels will deteriorate over time. However,

USDA is continuing to examine alternative methods for describing and indentifying ownership patterns.

U.S. agricultural landholdings of foreign owners,
by state, Dec. 31, 1981

State	Foreign-owned agricul- tural land	State	Foreign-owned agricul- tural land	State	Foreign-owned agricul- tural land
	(acres)		(acres)		(acres)
Alabama	578,225	Louisiana	150,257	Oklahoma	26,778
Alaska	753	Maine	2,646,905	Oregon	514,076
Arizona	230,059	Maryland	38,334	Pennsylvania	158,496
Arkansas	100,502	Massachusetts	438	Puerto Rico	1,388
California	846,713	Michigan	47,124	Rhode Island	0
Colorado	359,031	Minnesota	99,996	South Carolina	466,420
Connecticut	654	Mississippi	332,255	South Dakota	41,137
Delaware	8,051	Missouri	62,282	Tennessee	339,927
Florida	467,422	Montana	326,460	Texas	798,616
Georgia	900,570	Nebraska	80,143	Utah	239,010
Guam	336	Nevada	51,386	Vermont	91,018
Hawaii	55,720	New Hampshire	102,314	Virginia	117,460
Idaho	165,627	New Jersey	24,269	Washington	398,083
Illinois	143,747	New Mexico	660,763	West Virginia	23,891
Indiana	99,342	New York	332,803	Wisconsin	17,225
Iowa	35,859	North Carolina	243,103	Wyoming	123,563
Kansas	66,908	North Dakota	18,805		
Kentucky	36,044	Ohio	39,557	Total	12,709,845

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